KMG Thorne Riddell

Chartered Accountants

THE CORPORATION OF THE CITY OF THOROLD

ONTARIO

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

Consolidated

Library

Business Improvement Area

Hydro

THE CORPORATION OF THE CITY OF THOROLD

ONTARIO

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

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Thorne Riddell

Chartered Accountants

AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of The Corporation of the
City of Thorold

We have examined the consolidated balance sheet of The Corporation of the City of Thorold as at December 31, 1985 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of The Corporation of the City of Thorold as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thorne Riddell

St. Catharines, Ontario
March 14, 1986
Licence Number 1086

Chartered Accountants

THE CORPORATION OF THE CITY OF THOROLD

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1985

ASSETS	1985	1984
NON-DESIGNATED		
Cash	$ 548,575	$ 905,428
Taxes receivable		
Current year	446,348	441,862
Previous years	128,807	132,109
Accounts receivable	210,945	254,461
Inventories	70,953	57,995
Other current assets	1,494	1,700
	1,407,122	1,793,555
DESIGNATED		
Cash	111,362	142,919
Investments (note 2)	26,476	32,476
Due from non-designated funds	39,036	57,739
	176,874	233,134
CAPITAL OUTLAY FINANCED BY LONG-TERM LIABILITIES	702,283	845,928
	$ 2,286,279	$ 2,872,617

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES		
Temporary capital loan	$ 84,288	
Accounts payable and accrued liabilities	642,089	$ 391,196
Due to designated funds	39,036	57,739
Due to trust funds		83,299
Other current liabilities	9,538	61,542
	774,951	593,776
NET LONG-TERM LIABILITIES (note 4)	702,283	845,928
FUND BALANCES		
To be used to offset taxation or user charges (note 5)	50,222	174,886
Capital operations not yet permanently financed (note 6)	(390,551)	(100,303)
Reserves (note 7)	972,500	1,125,196
Reserve funds (note 7)	176,874	233,134
	809,045	1,432,913
	$ 2,286,279	$ 2,872,617

Liability for vested sick leave benefits (note 12)
Contingent liabilities (note 13)

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF THOROLD

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
SOURCES OF FINANCING:		
Taxation and User Charges		
Residential and farm taxation	$ 5,826,602	$ 5,328,928
Commercial and industrial taxation	6,904,892	6,536,750
Taxation from other governments	499,273	495,377
User charges	1,430,790	1,293,656
	14,661,557	13,654,711
Deduct amounts received or receivable for		
Region	3,550,347	3,369,621
School boards	6,448,726	5,933,528
	9,999,073	9,303,149
Amount available for municipal purposes	4,662,484	4,351,562
Grants		
Province of Ontario	1,032,814	980,655
Government of Canada	43,801	25,264
	1,076,615	1,005,919
Other		
Interest and penalty on taxes	107,994	115,039
Investment income	169,160	177,062
Transfer from cemetery perpetual care fund	22,452	22,525
Donations	12,634	10,484
Sale of land	1,724	
Sundry	77,832	21,014
	391,796	346,124
Net appropriations from reserves and reserve funds	208,956	
Fund balances at beginning of year		
To be used to offset taxation or user charges	174,886	180,776
Capital operations not yet permanently financed	(100,303)	(66,534)
	74,583	114,242
Total financing available during the year	$ 6,414,434	$ 5,817,847

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF THOROLD

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
APPLIED TO:		
Current operations		
General government	$ 666,599	$ 589,164
Protection to persons and property	799,585	751,071
Transportation services	1,564,945	1,650,144
Environmental services	1,048,309	912,738
Health services	212,458	200,028
Social and family services	40,958	14,883
Recreation and cultural services	1,060,577	986,841
Planning and development	139,437	112,496
	5,532,868	5,217,365
Capital		
Mausoleum	8,290	
Commercial area improvement program	525,809	
Port Robinson Park		36,000
Sullivan Park improvement	5,985	
Highway 20 sanitary sewer	285,938	13,211
Confederation Heights improvements	91,528	
Equipment	280,095	220,275
Beaverdams Community centre building	4,804	
Senior citizen centre	2,081	33,978
Other	17,365	25,289
	1,221,895	328,753
Transfer to trust fund		127,471
Net appropriations to reserve and reserve funds		69,675
Fund balances at end of year		
To be used to offset taxation or user charges	50,222	174,886
Capital operations not yet permanently financed	(390,551)	(100,303)
	(340,329)	74,583
Total applications during the year	$ 6,414,434	$ 5,817,847

The accompanying notes are an integral part of this financial statement.

Thorne Riddell

Chartered Accountants

AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of The Corporation of the
City of Thorold

We have examined the balance sheet of the trust funds of The Corporation of the City of Thorold as at December 31, 1985 and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the trust funds for The Corporation of the City of Thorold as at December 31, 1985 and the continuity of trust funds for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thorne Riddell

St. Catharines, Ontario
March 14, 1986
Licence Number 1086

Chartered Accountants

THE CORPORATION OF THE CITY OF THOROLD

TRUST FUNDS STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 1985

	Total	Cemetery Perpetual Care	Ontario Home Renewal Plan
BALANCE AT BEGINNING OF YEAR	$321,062	$193,591	$127,471
Add			
Sale of plots	8,946	8,946	
Interest	28,955	22,452	6,503
Interest received on loans	5,350		5,350
	43,251	31,398	11,853
Deduct			
Contribution to revenue fund	22,452	22,452	
Loans forgiven	12,964		12,964
Administration charges	2,523		2,523
	37,939	22,452	15,487
BALANCE AT END OF YEAR	$326,374	$202,537	$123,837

TRUST FUNDS BALANCE SHEET

AS AT DECEMBER 31, 1985

	Total	Cemetery Perpetual Care	Ontario Home Renewal Plan
ASSETS			
Cash	$ 86,099	$ 5,053	$ 81,046
Investments, at cost (market value - $204,600)			
Municipal	77,506	77,506	
Term deposits	115,000	115,000	
Corporate	5,000	5,000	
	197,506	197,506	
Loans receivable (of which $29,687 is forgiveable)	42,791		42,791
	$326,396	$202,559	$123,837
LIABILITIES			
Due to revenue fund	$ 22	$ 22	
Fund balance			
Capital	245,397	121,560	$123,837
Income	80,977	80,977	
	$326,396	$202,559	$123,837

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF THOROLD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

1. ACCOUNTING POLICIES

(a) Basis of Consolidation

(i) Consolidated Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, capital fund, reserve funds and includes the activities of all committees of Council and the following local boards, municipal enterprises and utilities:

Public Library Board
Business Improvement Area

All inter-fund assets and liabililties are eliminated with the exception of loans or advances between the reserve funds and other funds of the municipality.

(ii) Consolidated Statement of Operations

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, capital fund, reserves and reserve funds of the municipality and those local boards, municipal enterprises and utilities described in note 1(a)(i).

All inter-fund sources of financing and expenditures are eliminated with the exception of interest income and expense arising from loans and advances between the reserve funds and other funds of the municipality.

(iii) Non-consolidated Entities

The following entities are not consolidated, except to the extent of amounts due to or from these entities and contributions by the municipality to these entities:

Thorold Hydro-Electric Commission
Niagara District Airport Commission (Joint Board)

(iv) School boards and the Region of Niagara

The taxation and other revenues with respect to the operations of the school boards, and the Region of Niagara are reflected in the consolidated statement of operations but with no effect on the municipal fund balances since the total is shown as a deduction.

In addition the expenditures, assets and liabilities with respect to the operations of the school boards, and the Region of Niagara are not reflected in these financial statements except to the extent that overlevies (underlevies) are reported on the consolidated balance sheet as other current liabilities (other current assets).

1. ACCOUNTING POLICIES (Continued)

(v) Trust funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the trust funds balance sheet and the statement of continuity.

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long-term liabilities which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the period from the date of the latest instalment payment to the end of the financial year.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Fixed assets acquired are reported as an expenditure on the consolidated statements of operations in the year of acquisition. For those fixed assets financed or to be financed by the issue of long-term indebtedness, the principal and interest on the long-term indebtedness are also reported on the consolidated statement of operations as they are paid.

(iv) Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the consolidated balance sheet.

(v) Principal payments on long-term debt for municipal purposes are reported as an expenditure on the consolidated statement of opertions.

(vi) The charges for long-term liabilities assumed by non-consolidated entities or by individuals in the case of tile drainage assistance loans are not reflected in the financial statements.

2. INVESTMENTS

The total of investments of $26,476 (1984 - $32,476) reported on the consolidated balance sheet at cost, have a market value of $27,400 (1984 - $32,000) as at the end of the year.

3. NONACCRUAL OF INTEREST ON LONG-TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long-term liabilities. Had this provision been made the municipal fund balances as at December 31, 1985 would have been decreased by $27,968 (1984 - $33,065)

4. NET LONG-TERM LIABILITIES

	1985	1984
(a) The balance of net long-term liabilities reported on the consolidated balance sheet is made up of the following:		
Total long-term liabilities incurred by the municipality and outstanding at the end of the year amount to	$ 583,109	$ 723,725
In addition, the municipality has assumed responsibility for the payment of principal and interest charges on certain long-term liabilities issued by other municipalities. At the end of the year, the outstanding principal amount of this liability is	807,517	957,943
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by unconsolidated local boards, municipal enterprises and utilities and other municipalities. At the end of the year, the outstanding principal amount of this liability is	(661,954)	(811,566)
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is	(1,460)	(2,035)
The total value of sinking funds and the balance in the Ministry of the Environment Debt Retirement Fund which have been accumulated to the end of the year to retire the outstanding long-term liabilities included above, amount to	(24,929)	(22,139)
Net long-term liabilities at end of year	$ 702,283	$ 845,928

4. NET LONG-TERM LIABILITIES (Continued)

(b) Principal due on the net long-term liabilities is summarized as follows:

	1986 to 1990	1991 to 1995	Total
From general municipal revenues	$417,109	$218,532	$635,641
From benefitting landowners	49,842		49,842
From consolidated municipal enterprises	16,800		16,800
	$483,751	$218,532	$702,283

(c) Approval of the Ontario Municipal Board has been obtained for the long-term liabilities in (a), issued in the name of the municipality.

5. MUNICIPAL FUND BALANCES AT THE END OF THE YEAR

(a) The balances on the consolidated statement of operations of municipal equity of $50,222 (1984 - $174,886) at the end of the year is comprised of the following:

	1985	1984
For general reduction of taxation		
General	$ 1,430	$ 7,193
Library	(284)	303
Community centre boards		23,472
	1,146	30,968
For general reduction of water rates	35,529	57,790
For benefitting landowners related to special charges		
General purposes		271
Urban service area	20,280	21,558
Water	29,789	33,689
	50,069	55,518
For special areas		
Urban service area	(47,835)	17,990
Business improvement area	11,313	12,620
	(36,522)	30,610
	$ 50,222	$174,886

(b) Approval of the Ontario Municipal Board has been obtained for the pending issue of long-term liabilities and for those commitments to be financed from revenues beyond the term of Council.

6. CAPITAL OPERATIONS NOT YET PERMANENTLY FINANCED

The capital operations not yet permanently financed at the end of the year is comprised of the following:

	1985	1984
Acquisition of fixed assets to be recovered through taxation or user charges	$ 291	$ 45,295
Acquisition of fixed assets to be financed from the proceeds of federal and provincial grants	7,140	14,379
Acquisition of fixed assets to be recovered through reserves and reserve funds	8,291	42,000
Acquisition of fixed assets to be financed from the proceeds of long-term liabilities	376,200	
Funds available for the acquisition of fixed assets	(1,371)	(1,371)
	$390,551	$100,303

7. RESERVES AND RESERVE FUNDS

The total balance of reserves and reserve funds are made up of the following:

	1985	1984
Reserves set aside by Council:		
Equipment replacement	$ 212,405	$ 153,425
Accumulated sick leave	102,507	156,573
Working funds	320,000	310,000
Contingencies	1,729	1,729
Fire equipment	2,578	2,578
Library severance pay	7,717	9,013
Election		12,500
Municipal development	322,186	476,000
Beaverdams centre building	3,378	3,378
	972,500	1,125,196
Reserve funds set aside by Council:		
Library expansion	15,843	8,731
Cemetery general improvement	34,981	45,352
Capital works	13,725	81,178
Garbage disposal	13,110	12,771
Impost charges	16,642	14,286
Thorold South community centre building	20,515	
	114,816	162,318
Reserve funds set aside for specific purposes by legislation, regulation or agreement:		
Ministry of the environment	6,388	5,757
Park land	25,124	21,788
Parking revenues	7,486	16,916
Detention centre debt retirement	23,060	26,355
	62,058	70,816
	$1,149,374	$1,358,330

8. OPERATIONS OF SCHOOL BOARDS AND THE REGION OF NIAGARA

Further to note 1(a)(iv), the taxation, other revenues, expenditures and overlevies (underlevies) of the school boards and the Region of Niagara are comprised of the following:

	School Boards		Region	
	1985	1984	1985	1984
Taxation and user charges	$6,448,726	$5,933,528	$3,550,347	$3,369,621
Requisitions	6,448,008	5,932,245	3,598,264	3,334,339
Overlevies (underlevies) for year	718	1,283	(47,917)	35,282
Overlevies at beginning of year	8,818	7,535	42,681	7,399
Overlevies (underlevies) at end of year	$ 9,536	$ 8,818	$ (5,236)	$ 42,681

The overlevies (underlevies) at the end of the year are reported as other current liabilities (other current assets) on the consolidated balance sheet.

9. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

Further to note 1(a)(iii), the assets and liabilities of unconsolidated joint boards have not been consolidated and are not reported on the consolidated balance sheet, except to the extent of the long-term liabilities to be recovered from general taxation.

The operations of these joint boards have also not been consolidated. The consolidated statement of operations includes only the following contributions made by the municipality to these boards:

	1985	1984
Niagara District Airport Commission	$ 7,107	$ 7,107

10. TRUST FUNDS

Trust funds administered by the municipality amounting to $326,374 (1984 - $321,062) have not been included in the consolidated balance sheet nor have their operations been included in the consolidated statement of operations.

11. CHARGES FOR NET LONG-TERM LIABILITIES

Total charges for the year for net long-term liabilities which are reported on the consolidated statement of operations are as follows:

	1985	1984
Principal payments including contributions to sinking funds and to the Ministry of the Environment Debt Retirement Fund	$141,168	$167,599
Interest	81,236	97,608
	$222,404	$265,207

12. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to $395,000 (1984 - $427,000) at the end of the year. An amount of $102,507 (1984 - $156,573) has been provided for this past service liability and is reported on the consolidated balance sheet. Actual payments to employees during the year amounted to $68,382 (1984 - $1,499).

13. CONTINGENT LIABILITIES

The municipality is contingently liable for long-term liabilities with respect to tile drainage loans and for those for which the responsibility for the payment of principal and interest has been assumed by other municipalities, school boards and unconsolidated local boards, municipal enterprises and utilities. The total amount outstanding as at December 31, 1985 is $663,414 (1984 - $813,601) and is not recorded on the consolidated balance sheet. Effective December 31, 1985, the Province of Ontario forgave a portion of the school board long-term debt reducing the liability from $485,000 to $209,525.

THE CORPORATION OF THE CITY OF THOROLD

SOURCES OF FINANCING — SCHEDULE A

YEAR ENDED DECEMBER 31, 1985

	1985	1984
RESIDENTIAL AND FARM TAXATION		
Original roll	$5,687,030	$5,207,023
Supplementals	108,638	87,098
Local improvements	30,934	34,807
	$5,826,602	$5,328,928
COMMERCIAL AND INDUSTRIAL TAXATION		
Original roll	$6,597,861	$6,282,124
Supplementals	77,468	41,893
Share of telephone and telegraph	215,654	198,114
Local improvements	3,437	3,867
Business improvement area	10,472	10,752
	$6,904,892	$6,536,750
TAXATION FROM OTHER GOVERNMENTS		
Government of Canada	$ 26,353	$ 25,006
St. Lawrence Seaway Authority	304,652	310,763
Province of Ontario	17,315	16,755
Ontario Hydro	107,853	102,217
Ontario Housing Corporation	19,472	18,480
Liquor Control Board	1,971	1,886
Municipal	21,657	20,270
	$ 499,273	$ 495,377
USER CHARGES		
Water billings	$ 883,204	$ 766,507
Sewer billings	150,710	127,874
Parks and recreation fees and charges	220,208	233,561
Other fees and service charges	113,836	106,145
Licences and permits	62,832	59,569
	$1,430,790	$1,293,656

THE CORPORATION OF THE CITY OF THOROLD

SOURCES OF FINANCING (Continued) SCHEDULE A

YEAR ENDED DECEMBER 31, 1985

	1985	1984
PROVINCE OF ONTARIO GRANTS		
Revenue fund		
Per household	$ 63,067	$ 62,205
Revenue guarantee	80,728	86,225
General support	240,934	228,755
Special assistance		28,000
General government	3,750	
Fire	2,083	
Roadways	451,000	445,000
Transit	19,153	20,251
Garbage disposal		1,000
Parks and recreation	7,290	22,740
Libraries	36,585	37,218
Commercial and industrial	9,237	5,400
	913,827	936,794
Reserve fund		
Library	24,351	
Capital fund		
Parks	32,116	43,861
Assistance to aged persons	16,460	
Commercial area improvement program	46,060	
	94,636	43,861
	$1,032,814	$ 980,655
INVESTMENT INCOME		
Revenue fund	$ 146,984	$ 148,854
Reserve funds	22,176	28,208
	$ 169,160	$ 177,062

THE CORPORATION OF THE CITY OF THOROLD

APPLICATIONS OF FINANCING — SCHEDULE B

YEAR ENDED DECEMBER 31, 1985

	1985	1984
GENERAL GOVERNMENT		
Members of council	$ 56,886	$ 53,997
General administration	541,331	533,668
Payments from sick leave reserve	68,382	1,499
	$ 666,599	$ 589,164
PROTECTION TO PERSONS AND PROPERTY		
Fire	$ 625,870	$ 610,222
Protective inspection and control	173,715	140,849
	$ 799,585	$ 751,071
TRANSPORTATION SERVICES		
Roadways	$1,074,448	$1,274,160
Winter control	278,430	169,351
Transit	83,296	82,604
Parking	20,146	24,342
Street lighting	101,518	92,580
Airport	7,107	7,107
	$1,564,945	$1,650,144
ENVIRONMENTAL SERVICES		
Sanitary sewers	$ 303,174	$ 203,273
Storm sewers	8,037	8,109
Waterworks	412,583	347,393
Garbage collection	218,997	205,675
Garbage disposal	105,518	94,496
Pollution control		53,792
	$1,048,309	$ 912,738
HEALTH SERVICES		
Cemeteries	$ 212,458	$ 200,028
SOCIAL AND FAMILY SERVICES		
Municipal tax assistance	$ 23,864	
Other	17,094	$ 14,883
	$ 40,958	$ 14,883

THE CORPORATION OF THE CITY OF THOROLD

APPLICATIONS OF FINANCING (Continued) SCHEDULE B

YEAR ENDED DECEMBER 31, 1985

	1985	1984
RECREATION AND CULTURAL SERVICES		
Parks and recreation	$ 719,581	$ 672,835
Community recreation centres	35,847	38,332
Library	305,149	275,674
	$1,060,577	$ 986,841
PLANNING AND DEVELOPMENT		
Planning and zoning	$ 98,513	$ 81,422
Commercial and industrial development	18,491	7,958
Residential development	7,500	
Agriculture and reforestation	14,933	7,023
Ontario Home Renewal program		16,093
	$ 139,437	$ 112,496

THE CORPORATION OF

FIVE YEAR FIN

	1985	1984
STATISTICS		
Population	16,044	15,794
Area in acres	24,081	24,081
Full-time employees	73	75
Number of households	5,744	5,631
ASSESSMENT		
Taxable (000's)		
Residential and farm	$ 23,066	$ 22,289
Commercial and industrial	14,910	14,972
Business	7,826	7,872
	$ 45,802	$ 45,133
Per capita	$ 2,855	$ 2,858
Commercial, industrial, business as a percentage of taxable	49.6	50.6
Exempt (000's)	$ 6,231	$ 5,559
Provincial equalization factor	11.07	11.00
TAXATION RATES		
Residential and farm		
General municipal	63.68	60.38
Region	59.79	58.46
Schools	125.21	117.17
	248.68	236.01
Commercial, industrial and business		
General municipal	74.91	71.03
Region	70.33	68.77
Schools	147.30	137.86
	292.54	277.66

PORATION OF THE CITY OF THOROLD

VE YEAR FINANCIAL REVIEW

SCHEDULE C

	1983	1982	1981
	15,794	15,480	15,462
	24,081	24,081	24,081
	75	77	78
	5,554	5,467	5,381
	$ 21,698	$ 20,871	$ 20,413
	14,937	12,987	13,048
	7,869	6,714	6,737
	$ 44,504	$ 40,572	$ 40,198
	$ 2,818	$ 2,621	$ 2,600
	51.2	48.6	49.2
	$ 5,765	$ 5,742	$ 5,742
	11.37	11.51	11.93
	57.01	57.16	52.36
	54.43	50.06	44.24
	109.60	101.13	92.88
	221.04	208.35	189.48
	67.07	67.24	61.58
	64.04	58.90	52.04
	128.95	118.98	109.27
	260.06	245.12	222.89

THE CORPORATION OF

FIVE YEAR FI

	1985	1984
FINANCIAL (000's)		
General municipal sources of financing		
Taxation	$ 3,301	$ 3,082
Payments in lieu of taxes	481	478
Fees and service charges	880	792
Ontario grants	1,033	981
Debenture proceeds		
Reserves and reserve funds	209	
Other	436	371
	$ 6,340	$ 5,704
General purposes expenditure		
Operations	$ 5,533	$ 5,217
Capital	1,222	329
Transfers to reserves and reserve funds		70
Transfers to trust fund		127
	$ 6,755	$ 5,743
Transfers to region	$ 3,598	$ 3,334
Transfers to school boards	$ 6,448	$ 5,932
Net long term liabilities	$ 702	$ 846
Charges for net long term liabilities	$ 222	$ 265
Fund balances to be used to offset taxation or user charges	$ 50	$ 175
Unapplied capital receipts (unfinanced capital outlays)	$ (391)	$ (100)
Reserves and reserve funds	$ 1,149	$ 1,358
Tax arrears		
Per capita (dollars)	$ 38	$ 40
Percentage of current taxes	4.8	5.3

ORATION OF THE CITY OF THOROLD

VE YEAR FINANCIAL REVIEW (Continued)

SCHEDULE C

	1983	1982	1981
	$ 2,882	$ 2,760	$ 2,374
	406	415	381
	734	746	758
	1,121	822	713
	387		
		509	
	540	377	630
	$ 6,070	$ 5,629	$ 4,856
	$ 4,921	$ 4,672	$ 3,768
	1,054	918	854
	347		48
	$ 6,322	$ 5,590	$ 4,670
	$ 3,047	$ 2,767	$ 2,300
	$ 5,482	$ 4,843	$ 4,175
	$ 1,015	$ 746	$ 875
	$ 181	$ 204	$ 204
	$ 181	$ 435	$ 192
	$ (67)	$ (69)	$ 135
	$ 1,289	$ 942	$ 1,451
	$ 43	$ 51	$ 38
	6.1	7.4	6.9

THOROLD PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

Auditors' Report

Balance Sheet

Statement of Revenue and Expenditure

Statement of Continuity of Reserve
and Reserve Fund

Notes to Financial Statements

Schedule of Other Expenditures

Thorne Riddell

Chartered Accountants

AUDITORS' REPORT

To the Members of Council, Inhabitants and
Ratepayers of the Corporation of the
City of Thorold

We have examined the balance sheet of the Thorold Public Library Board as at December 31, 1985 and the statements of revenue and expenditure and continuity of reserve and reserve fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1985 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for Ontario municipalities applied on a basis consistent with that of the preceding year.

St. Catharines, Ontario
January 31, 1986
Licence Number 1086

Thorne Riddell

Chartered Accountants

THOROLD PUBLIC LIBRARY BOARD

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS	1985	1984
CURRENT ASSETS		
Cash	$27,809	$17,915
Term deposits	5,800	5,800
Prepaid expenses	600	
	$34,209	$23,715
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$10,933	$ 1,317
Deferred revenue		4,351
	10,933	5,668
RESERVE AND RESERVE FUND		
Severance pay (note 2)	7,717	9,013
Expansion fund	15,843	8,731
	23,560	17,744
ACCUMULATED NET REVENUE (DEFICIT)	(284)	303
	$34,209	$23,715

THOROLD PUBLIC LIBRARY BOARD

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985 Budget	1985 Actual	1984 Actual
ACCUMULATED NET REVENUE AT BEGINNING OF YEAR	$ 303	$ 303	$ 137
Revenue			
Municipal contribution	212,442	212,442	193,155
Province of Ontario grants			
Regular grants	34,830	35,875	34,830
Special grants	1,629	710	1,739
Wintario grant			649
Canada Works grant		4,967	
Fines and fees	4,100	4,203	3,378
Bank interest	400	671	599
	253,401	258,868	234,350
Expenditure			
Salaries, wages and benefits			
Salaries and wages	157,865	162,179	144,432
Fringe benefits	21,785	21,575	19,569
	179,650	183,754	164,001
Materials, supplies and utilities			
Books	35,176	37,618	33,988
Periodicals and newspapers	5,300	5,279	5,046
Utilities	10,843	11,339	10,270
Library supplies	7,500	7,510	7,144
	58,819	61,746	56,448
Rents and other			
Rents	1,996	1,996	1,996
Other	9,639	9,357	7,720
	11,635	11,353	9,716
	250,104	256,853	230,165
Expenditure financed by Wintario grant			649
Capital expenditure	2,000	932	1,770
Contribution to severance pay reserve	1,600	1,670	1,600
	253,704	259,455	234,184
ACCUMULATED NET REVENUE (DEFICIT) AT END OF YEAR	$ Nil	$ (284)	$ 303

THOROLD PUBLIC LIBRARY BOARD

STATEMENT OF CONTINUITY OF RESERVE AND RESERVE FUND

YEAR ENDED DECEMBER 31, 1985

	1985	1984
SEVERANCE PAY RESERVE		
BALANCE AT BEGINNING OF YEAR	$ 9,013	$ 7,413
Revenue		
Contribution from revenue fund	1,670	1,600
Expenditure		
Severance pay	2,966	
BALANCE AT END OF YEAR	$ 7,717	$ 9,013
EXPANSION RESERVE FUND		
BALANCE AT BEGINNING OF YEAR	$ 8,731	$ 4,314
Revenue		
Grant	24,351	
Donations	12,634	10,484
Interest	702	348
	37,687	10,832
Expenditure		
Equipment and books	30,575	6,415
BALANCE AT END OF YEAR	$15,843	$ 8,731

THOROLD PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

1. ACCOUNTING POLICIES

   (a) Accrual accounting

   The accrual method for reporting revenue and expenditure has been used.

   (b) Fixed assets

   Fixed assets are charged to current expenditure in the year incurred unless financed by long term debt.

2. RESERVE FOR SEVERANCE PAY

   A reserve was established in 1976 to provide for severance pay to employees who have completed five years of continuous employment. The reserve balance as at December 31, 1985 is $7,717. The estimated liability as at December 31, 1985 is $9,377.

THOROLD PUBLIC LIBRARY BOARD

SCHEDULE OF OTHER EXPENDITURES

YEAR ENDED DECEMBER 31, 1985

	1985 Budget	1985 Actual	1984 Actual
Professional fees	$ 1,650	$ 1,670	$ 1,570
Insurance	800	853	711
Janitor's supplies	1,000	1,101	953
Repairs and maintenance	2,500	3,123	2,032
Xerox machine - net	(400)	(2,024)	(389)
Transportation	660	665	630
Public relations	1,750	1,992	1,288
Bank charges	58	97	55
Sundry	1,621	1,880	870
	$ 9,639	$ 9,357	$ 7,720

CITY OF THOROLD

BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 1985

Auditors' Report

Balance Sheet

Statement of Revenue and Expenditure

Thorne Riddell

Chartered Accountants

AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of The Corporation of the
City of Thorold

We have examined the balance sheet of The Corporation of the City of Thorold Business Improvement Area as at December 31, 1985 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Corporation of the City of Thorold Business Improvement Area as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Ontario municipalities.

Thorne Riddell

St. Catharines, Ontario
April 29, 1986
Licence Number 1086

Chartered Accountants

THE CORPORATION OF THE CITY OF THOROLD

BUSINESS IMPROVEMENT AREA

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS

CURRENT ASSETS	
Provincial grant receivable	$ 1,637
Due from City of Thorold	9,675
	$ 11,312

LIABILITIES

Accumulated net revenue	$ 11,312

THE CORPORATION OF THE CITY OF THOROLD

BUSINESS IMPROVEMENT AREA

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

ACCUMULATED NET REVENUE AT BEGINNING OF YEAR	$ 12,620
Revenue	
Taxation	10,472
Provincial grant	1,637
	12,109
Expenditure	
Administration	1,555
Programs	2,640
Promotion	9,222
	13,417
ACCUMULATED NET REVENUE AT END OF YEAR	$ 11,312

THOROLD HYDRO-ELECTRIC COMMISSION

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

Auditors' Report

Balance Sheet

Statement of Operations

Statement of Equity

Statement of Changes in Financial Position

Notes to Financial Statements

Thorne Riddell

Chartered Accountants

AUDITORS' REPORT

To the Members of Council, Inhabitants and
Ratepayers of The Corporation of the
City of Thorold

We have examined the balance sheet of the Thorold Hydro-Electric Commission as at December 31, 1985 and the statements of operations, equity and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles for Ontario hydro electric commissions applied on a basis consistent with that of the preceding year.

Thorne Riddell

St. Catharines, Ontario
February 27, 1986
Licence Number 1086

Chartered Accountants

THOROLD HYDRO-ELECTRIC COMMISSION

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS	1985	1984
FIXED ASSETS		
Land	$ 18,056	$ 18,056
Buildings	77,342	77,342
Transmission and distribution system	3,986,254	3,766,273
Meters	445,207	414,771
Equipment	369,380	351,601
Assets under capital lease	60,583	60,583
	4,956,822	4,688,626
Less accumulated depreciation and amortization	2,309,005	2,091,884
	2,647,817	2,596,742
CURRENT ASSETS		
Cash	507,125	476,036
Accounts receivable	535,879	427,797
Unbilled revenue	323,583	292,217
Accrued interest	3,182	3,947
Inventory	171,083	137,745
Prepaid expenses	1,450	
	1,542,302	1,337,742
OTHER ASSETS		
Equity in Ontario Hydro	3,705,693	3,447,663
Deferred charges - pension plan	5,234	5,690
	3,710,927	3,453,353
	$7,901,046	$7,387,837

THOROLD HYDRO-ELECTRIC COMMISSION

BALANCE SHEET AS AT DECEMBER 31, 1985

LIABILITIES	1985	1984
LONG TERM DEBT (note 2)		
Due to City of Thorold	$ 127,000	$ 145,000
Due to Ontario Hydro	1,416,059	1,438,031
Obligations under capital lease	42,281	53,041
Unfunded pension liability (note 3)	5,234	5,690
	1,590,574	1,641,762
Less principal included in current liabilities	48,169	51,188
	1,542,405	1,590,574
CURRENT LIABILITIES		
Accounts payable and accrued liabilities		
Ontario Hydro	471,496	391,969
Other	56,936	25,189
Accrued interest on long term debt	187,527	181,946
Principal due within one year on long term debt	48,169	51,188
	764,128	650,292
OTHER LIABILITIES		
Accumulated vested sick leave	156,531	144,661
Customer deposits	30,075	34,535
	186,606	179,196
RESERVES		
Equity in Ontario Hydro	3,705,693	3,447,663
EQUITY	1,702,214	1,520,112
	$7,901,046	$7,387,837

Commitment (note 4)

THOROLD HYDRO-ELECTRIC COMMISSION

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Service Revenue		
Residential	$2,683,611	$2,387,302
General	3,744,920	3,353,545
Street lighting	85,971	80,659
	6,514,502	5,821,506
Cost of Power		
Power purchased	5,255,074	4,688,557
	1,259,428	1,132,949
Other income		
Late payment charges	26,320	24,497
Interest	32,755	36,619
Rentals	24,623	24,913
Sundry	2,368	2,784
	86,066	88,813
Other Expenditure		
Operation maintenance	336,247	331,381
Building maintenance	47,974	37,910
Administration	359,716	368,367
Financial expense	207,820	203,178
Depreciation	211,635	203,489
	1,163,392	1,144,325
EXCESS OF REVENUE OVER EXPENDITURE	$ 182,102	$ 77,437

STATEMENT OF EQUITY

YEAR ENDED DECEMBER 31, 1985

	1985	1984
BALANCE AT BEGINNING OF YEAR	$1,520,112	$1,442,675
Excess of revenue over expenditure	182,102	77,437
BALANCE AT END OF YEAR	$1,702,214	$1,520,112

THOROLD HYDRO-ELECTRIC COMMISSION

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1985

	1985	1984
WORKING CAPITAL DERIVED FROM		
Excess of revenue over expenditure	$ 182,102	$ 77,437
Depreciation and amortization (including amounts charged to operating accounts)	224,700	225,074
Amortization of deferred pension costs	456	422
Total provided from operations	407,258	302,933
Obligation under capital lease		60,583
Increase in accumulated vested sick leave	11,870	16,309
Increase in customer deposits		12,469
	419,128	392,294
WORKING CAPITAL APPLIED TO		
Additions to fixed assets (net)	275,775	281,802
Reduction of long term debt	48,169	58,730
Decrease in customer deposits	4,460	
	328,404	340,532
INCREASE IN WORKING CAPITAL	90,724	51,762
WORKING CAPITAL AT BEGINNING OF YEAR	687,450	635,688
WORKING CAPITAL AT END OF YEAR	$ 778,174	$ 687,450

THOROLD HYDRO-ELECTRIC COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

1. ACCOUNTING POLICIES

(a) Inventory

Inventory is stated at average cost with allowances for obsolete stock.

(b) Fixed assets

Fixed assets are stated at cost. Depreciation and amortization is provided as prescribed by Ontario Hydro policy over the estimated life of the assets ranging from 5 to 40 years.

(c) Sale of energy

Revenue from the sale of energy is recorded as revenue in the period to which it relates. Revenue is accrued from the last meter reading to the end of the year.

2. LONG TERM DEBT

The Commission has long term debt payable to the City of Thorold, Ontario Hydro, for obligations under capital lease and for unfunded pension liability. The interest rate on these long term debt obligations range from 8% to 13%.

The obligation under capital lease, which matures in 1989, represents the total present value of future minimum lease payments, discounted at the rate of 10%.

Payments due on long term debt are as follows:

	Total	Principal and interest payments	Future minimum lease payments
1986	$ 253,132	$ 237,421	$ 15,711
1987	253,532	237,821	15,711
1988	252,542	236,831	15,711
1989	240,509	236,581	3,928
1990	235,941	235,941	
1991 onward	3,147,381	3,147,381	
	4,383,037	4,331,976	51,061
Amount representing interest	2,792,463	2,783,683	8,780
	$1,590,574	$1,548,293	$ 42,281

3. UNFUNDED PENSION LIABILITY

The unfunded pension liability represents an obligation to provide past service benefits to employees under the Commission's pension plan. This liability will be funded by annual payments of $911 over 8 years.

The liability is being charged to expenditure over the term of repayment.

4. COMMITMENT

The Commission has contracted to purchase a truck in 1986 for $141,000.